

BOUSTEAD FINANCIAL RESULTS ANNOUNCEMENT FOR 1H FY2021 ENDED 30 SEPTEMBER 2020

	1H FY2021	1H FY2020 (Restated)	Change
Revenue	S\$289.7m	S\$292.1m	-1%
Gross profit	S\$86.6m	S\$71.5m	+21%
Profit before income tax (“PBT”)	S\$31.8m	S\$24.8m	+28%
Total profit after income tax	S\$22.8m	S\$18.3m	+25%
Profit attributable to equity holders of the Company (“net profit”)	S\$21.8m	S\$12.4m	+76%
Net profit (adjusted for comparative review)*	S\$25.1m	S\$11.7m	+114%
- Earnings per share	4.5cts	2.5cts	+80%
- Net asset value per share	73.6cts	67.5cts	+9%

* For comparative review, the net profit is adjusted for other gains/losses net of non-controlling interests, impairment losses, a one-off legal settlement and grants received from the Jobs Support Scheme.

Note to Editors: The Group’s revenue is largely derived from project-oriented businesses and as such, half-yearly results would not accurately reflect the full-year performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

1H FY2021 Highlights:

- Revenue was stable year-on-year at S\$289.7 million, with the COVID-19 pandemic appearing to have marginal impact on the Group’s overall revenue performance, although there was high variability in the impact on each division’s revenue performance.
- Total profit after income tax and net profit were 25% and 76% higher year-on-year at S\$22.8 million and S\$21.8 million respectively. Profit growth on stable revenue was achieved despite significant challenges posed by the pandemic, geo-economic and geo-political headwinds, and unfavourable foreign exchange movements, mainly as a result of better gross margins (except for the Real Estate Division under Boustead Projects), effective cost management measures, the absence of impairment losses, lower finance expenses and share of losses of associated companies and joint ventures, and grants received from the Jobs Support Scheme (“JSS”) of S\$4.9 million.
- For a comparative review after adjusting for other gains/losses net of non-controlling interests, impairment losses, a one-off legal settlement amount paid by Boustead Projects and grants received from the JSS net of non-controlling interests, net profit for 1H FY2021 would have been 114% higher year-on-year.
- The Group’s current order backlog of S\$650 million (unrecognised project revenue remaining at the end of 1H FY2021 plus the total value of new orders secured since then) remains healthy although lower compared to S\$789 million a year earlier. Furthermore, the Geospatial Division had S\$100 million in deferred services backlog remaining at the end of 1H FY2021.
- The Board has declared an interim dividend of 1 cent per share, matching the interim dividend declared and paid for the previous year’s comparative period.

SINGAPORE, 13 NOVEMBER 2020 – SGX Mainboard-listed Boustead Singapore Limited (“Boustead” or the “Group”), a progressive global infrastructure-related engineering and technology group today announced its unaudited financial results for the half-year ended 30 September 2020 (“1H FY2021”).

For 1H FY2021, revenue was stable year-on-year at S\$289.7 million, with the COVID-19 pandemic appearing to have marginal impact on the Group's overall revenue performance, although there was high variability in the impact on each division's revenue performance. Total profit after income tax and net profit were 25% and 76% higher year-on-year at S\$22.8 million and S\$21.8 million respectively. Profit growth on stable revenue was achieved despite significant challenges posed by the pandemic, geo-economic and geo-political headwinds, and unfavourable foreign exchange movements, mainly as a result of better gross margins (except for the Real Estate Division under Boustead Projects), effective cost management measures, the absence of impairment losses, lower finance expenses and share of losses of associated companies and joint ventures, and receipt of payments from the JSS of S\$4.9 million.

For a comparative review after adjusting for other gains/losses net of non-controlling interests, impairment losses, a one-off legal settlement amount paid by Boustead Projects and receipt of payments from the JSS net of non-controlling interests, net profit for 1H FY2021 would have been 114% higher year-on-year.

As the Group delivered improved profitability from its core businesses and maintained a strong cash position, the Board has declared an interim dividend of 1 cent per share, matching the interim dividend declared and paid for the previous year's comparative period.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, “In an extremely tough business environment, our global leadership teams pulled together to deliver a commendable set of results for 1H FY2021, demonstrating our resilience. While Boustead Projects faced delays in all of their Singapore projects due to the Singapore Circuit Breaker and phased resumption of construction activities, our Energy Engineering and Geospatial Divisions stepped up their performances with better revenue and profit contributions.”

Mr Wong added, “Nonetheless, even with our credible performance in 1H FY2021, the pandemic and global situation continue to be of immense concern, in almost every respect. Furthermore, demand deficit and ongoing travel restrictions have made it extremely challenging to conduct meaningful business development activities. As we expect steady results for FY2021, our attention will now be turned towards securing business opportunities to underpin FY2022 and medium-term performance.”

Despite the renewed downturn in prospects for the global oil & gas industries, the Energy Engineering Division continued to ride on a healthy order backlog to achieve revenue that was 66% higher year-on-year at S\$109.3 million.

With over four months of closure of Singapore project sites due to the Singapore Government's Circuit Breaker and phased resumption of construction activities in the built environment sector, Boustead Projects' revenue was 44% lower year-on-year at S\$87.7 million. The impact was highly visible on Singapore's design-and-build revenue, partially mitigated by better real estate revenue.

New enterprise agreements and firm demand for geospatial technology underpinned the Geospatial Division's strong revenue performance across Australia and South East Asia, allowing the division to deliver yet another credible revenue performance, which was 41% higher year-on-year at S\$85.5 million.

Partially impacted by the pandemic, the Healthcare Division's revenue was 19% lower year-on-year at S\$7.0 million, with the division's clients' main attention placed on addressing the pandemic, resulting in a delay in orders.

PBT for 1H FY2021 climbed 28% year-on-year to S\$31.8 million, mainly attributable to better gross margins – with the exception of Boustead Projects, effective cost management measures, the absence of impairment losses, lower finance expenses and share of losses of associated companies and joint ventures, and grants received from the JSS, as mentioned earlier.

Except for Boustead Projects, PBT for 1H FY2021 across all of the other divisions saw improvements, led by the Energy Engineering and Geospatial Divisions' stronger performances.

The Group's net asset value per share rose to 73.6 cents at the end of 1H FY2021 from 70.3 cents at the end of FY2020, even after factoring in FY2020 final dividends to shareholders and non-controlling interests, which were paid out during 1H FY2021. The net cash position (i.e. net of all bank borrowings) was boosted to S\$231.7 million at the end of 1H FY2021, translating to a net cash per share position of 47.6 cents. In addition, the Group held S\$39.6 million in investment securities at the end of 1H FY2021, of which about 20% of the amount is highly liquid.

To date in FY2021, the Group has been awarded approximately S\$146 million in new contracts, with the extremely challenging conditions and global travel restrictions, making it difficult to conduct meaningful business development activities. The current order backlog of S\$650 million (unrecognised project revenue remaining at the end of 1H FY2021 plus the total value of new orders secured since then) – of which S\$203 million is under the Energy Engineering Division and S\$447 million is under the Real Estate Division – remains healthy although lower compared to S\$789 million a year earlier. Furthermore, the Geospatial Division had S\$100 million in deferred services backlog remaining at the end of 1H FY2021.

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About Boustead Singapore Limited

Established in 1828, Boustead Singapore Limited (SGX:F9D) is a progressive global Infrastructure-Related Engineering and Technology Group listed on the SGX Mainboard.

Focusing on the niche engineering and development of key infrastructure to support sustainable shared socio-economic growth in global markets, our strong suite of engineering services under our Energy Engineering Division and Real Estate Division centres on energy infrastructure and smart eco-sustainable business park and industrial developments.

In addition, we provide technology-driven transformative solutions to improve quality of life for all walks of life. Our Geospatial Division provides professional services and exclusively distributes Esri ArcGIS technology – the world’s leading geographic information system, smart mapping and location analytics platform – to major markets in the Asia Pacific including Australia, Singapore, Malaysia and Indonesia. The software creates digital infrastructure solutions that enable smart nations, smart cities and smart communities to solve the world’s most complex problems through effective and sustainable improvement of human wellbeing and ecosystems, and planning and management of key infrastructure and resources. Our Healthcare Division provides innovative medical solutions that address niche age-related chronic diseases and mobility issues, with a focus on rehabilitative care and sports science in the Asia Pacific.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, we are ready to serve the world. To date, we have undertaken projects in 89 countries and territories globally.

In 2008 and 2009, we were recognised in the prestigious Forbes Asia 200 Best Under A Billion as one of the Asia Pacific’s 200 best public-listed corporations under US\$1 billion in revenue. In 2017, we were ranked by FinanceAsia as Singapore’s Best Small-Cap in the annual Asia’s Best Companies Poll. In 2019, we were awarded the Most Transparent Company in the Industrials Category and Sustainability Award (Runner-Up) in the Mid Cap Category by the Securities Investors Association (Singapore). In 2020, we were ranked among Singapore’s Best Employers, at 38th overall and 2nd under our respective category of Business Services & Supplies (including Real Estate) in an evaluation encompassing 1,800 large corporations. We are also listed on the MSCI World Micro Cap Index, FTSE Global Small Cap Index, FTSE Developed Small Cap Index and FTSE ST Industrials Index.

Visit us at www.boustead.sg.

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